



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

JOHN E. NIXON, CPA
DIRECTOR

MINUTES

Electronic Recording Commission

September 11, 2012

Records Management Services Building, 3400 N. Grand River Ave., Lansing, Michigan.

Board Members Present: Alessandro DiNello, Mary Hollinrake, Linda Landheer, Christian Meyer, Bambi Somerlott, Thomas Richardson, Joyce Van Coevering (John Nixon's designee)

Board Members Absent: Diane Adams

Also in attendance: Jerome Czaja, Chief Deputy Register, Kent County; Vicki DiPasquale, National Sales Manager, Simplifile; Deborah Stevens

- I. CALL TO ORDER. The meeting was called to order by M. Hollinrake at 10:07 a.m. A quorum was present. It was recognized that the posting of meeting notices at three designated locations was confirmed.
- II. APPROVAL OF MINUTES.
Motion: to approve the minutes of July 31, 2012
Moved: C. Meyer Second: L. Landheer
Passed: Unanimously
- III. SIMPLIFILE PRESENTATION. Vicki DiPasquale was introduced as the National Sales Manager for Simplifile. M. Hollinrake explained that vendors basically operate with the same processes, and the presentation was to provide a better understanding of how they work. Vendors are already utilizing standards which basically establish how the information technology will work.

A short video explaining how the process works, the advantages, the time savings, and a bit about legislation was shown. Later, the process was shown from a submitter's point of view. Submitters are generally title companies or attorneys. Most counties do not allow "direct connection" from individuals.

V. DiPasquale noted that standards were essentially built by PRIA (Property Records Industry Association), recommended Florida as a good model, and advised against using California, Georgia or Minnesota. She also touched briefly upon indexing, disaster recovery, submission of suspicious documents, and noted Simplifile's cost is \$4.50 per document.

Various models are used in standards. Model 1 is basically an image while Model 2 is an image with associated data. Model 3 is an electronic document which looks like an image and data. Model 4 is a "smart" document, and no states are at this point.

Discussion brought up non-technical issues and whether they could be incorporated into standards. It was noted that while county work flows vary, web sites will often explain the process, define accepting hours, declare when an item is considered to be recorded, and recommend an order of document submission and recording.

- IV. STANDARDS. M. Hollinrake noted that of 53 states and territories, 27 have laws regarding electronic recording, and nine have no laws. The commission has reviewed a good sampling. Most seem to adopt a single page of PRIA standards and may include related statutes, bylaws, and the like. S. DiNello noted that Florida's standards were simple and could be a good model.

M. Hollinrake suggested talking to Mark Ladd, a former Wisconsin register of deeds, now with Simplifile who helped draft the PRIA standards.

J. Czaja noted he had reviewed most of the laws and found these common elements:

1. Data Standards
2. Document Formats
3. Electronic Signatures
4. Notary Acknowledgements
5. Security
6. Business Rules
7. Payment of Recording Fees
8. Records Retention and Preservation

Moved: B. Somerlott

Second: L. Landheer

Motion: to direct the commission to focus on the standards established by Arizona, Florida, Kansas and North Carolina.

C. Meyer proposed to amend the motion to include the Illinois standards since the state is in close proximity to Michigan and administrative rules are contained within the standards, and the amendment was accepted.

Amended Motion: to direct the commission to focus on the standards established by Arizona, Florida, Illinois, Kansas and North Carolina.

Passed: Unanimously.

M. Hollinrake urged the commission to look at what items are critical and necessary to include so that wording or cut and paste work could begin at the next meeting.

Two options for a public hearing on the standards were discussed with the second having more support. The invitees would be title companies, registers of deeds, bankers, and other affected parties. The first option was to explain the issues the commission wanted to address and obtain feedback. The second option was to actually draft standards, circulate them, and ask for comment.

A broad timeframe was discussed. Begin to draft standards at the November meeting, then adopt and publish a proposed draft in February. The public hearing could be held in May or June. Any changes would be incorporated, and final standards would be adopted in August.

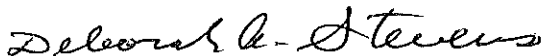
V. OTHER BUSINESS. The next meeting is scheduled for Nov. 14, 2012.

VI. ADJOURNMENT. J. VanCoevering was excused at noon.

Moved: B. Somerlott Second: A. DiNello
Motion: to adjourn the commission meeting
Passed: Unanimously.

The commission meeting was adjourned at 12:14 p.m.

Respectfully submitted:



Deborah A. Stevens
Recording Secretary